

Michael J. Henke

Lakeville, MN 55044

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OFFICE OF GENERAL
COUNSEL

Federal Election Commission
Office of the General Counsel
999 E Street, NW
Washington, D.C. 20463

RE: Pre-MUR 528

Dear Office of the General Counsel:

This letter is in response to your correspondence dated January 12, 2012.

I intend to cooperate fully to satisfy your request. To that end, I have listed the facts below:

Whereas,

- I was employed by ACA International from May 1998 to April 2011
- I held the title of VP of Finance for ACA International and its 7 related entities from approximately 2004 until April 19, 2011.
- I was responsible for internal financial reporting for all of ACA's related entities.
- I was not responsible for FEC reporting for ACA's political action committee (ACPAC). Jean Cottingham, the ACPAC Treasurer, was responsible for FEC reporting.
- I was not Assistant Treasurer of ACPAC at any time. I was not aware that such a position even existed.
- ACA International is a membership organization serving the credit and collection industry.
- Members of ACA International routinely remitted funds to ACA International and its related entities for membership dues or goods or services provided by the entities. The main vehicles for remittance were by credit card or by check.
- Occasionally funds remitted to one of ACA's entities were inadvertently credited to the wrong company. Whenever an error was discovered, it was credited to the correct entity promptly.
- In the fall of 2010, I offered my assistance to help reconcile ACPAC's internal accounting system (Great Plains) records, which I was in charge of, to ACPAC's transactional political action system (VOCUS) for which Jean Cottingham was in charge of.
- I was aware of the need to amend certain FEC 3X reports in the fall of 2010 per a letter that Jean Cottingham received from the FEC. Due to turnover of staff, I was assisting Jean in reconciling data for the amended reports that were to be submitted in early February 2011.

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- I became aware that \$23,419 was credited to ACPAC in error in November 2010. The error was not reconciled until January 2011. During October and November of 2010, ACA had hired temporary help to assist in the heavy workload due to an employee termination that occurred in the fall of 2010. The temporary help who was assisting thought a transfer of funds needed to be made from ACA International to ACPAC based upon his limited knowledge. After further review, in January 2011 it was determined that the funds did not belong to ACPAC. The funds were promptly remitted from ACPAC to ACA International in January 2011.
- Knowing that the November 2010 FEC Form 3x was to be amended in February 2011, this afforded ACPAC the opportunity to accurately report the amended November 3X report by netting out the two transactions.
- Since the FEC requires reporting on a cash basis, and not on an accrual basis, a liability could not be recorded like it could with accrual accounting. After resolving that funds did belong to ACPAC in January 2011, the only way to make the amended report 100% accurate was to issue a check in January 2011 with a November 2010 date. This was deemed to not be a problem because of the pending re-filing of the November amended report in February 2011.
- In the handling of the \$23,419, there was never any intention to mislead the FEC or the public. The goal was to make the amended report as accurate as possible.

If you have further questions or need more information, please do not hesitate to contact me. I respectfully request that any further correspondence be directed to my home address as listed on the letterhead.

Sincerely,



Michael J. Henke